G. R. S. 58]

Keep

1924-25

File No. 82-24

Serial Nos. 5—

Previous references.

G. H. 82-24-8 & 4,
" 82-24-1 & c.
" 90-22-1-5.

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1.

Part B for March 1925.

SUBJECT

re the rate of payment of interest on capital Expenditure on Mysore Railways.

(P. 4/E)

11/3/25.

Serial No. 5

From the Secretary to the Hon'ble the Resident in Mysore, No 1339 of 16.2.25. Forwards copy of letter No D.8599 of 11.2.25 from the Agent, M.S.M. Railway Co, Ld regarding the rate of interest on Capital expenditure on the State Lines.

Submitted for orders with reference.

19/2 2) This does not appear to call for any action except it be to clear the uncertainty of the position indicated by para 3 of the Company's letter which may raise the same question that is now sought to be settled

Secy 20/2/25

3) Please put up the original file in which this question was first raised & settled

Secy 20/2/25

R & N

S/G. 7. Files 90-22 & 82-24 is put up. 4/2/25

25/2. Secy

4) 25/2

7) The enclosure to the Residency letter dated 16th February 1925 closes a protracted contraversy which has been going on since with M. & S. M. Railway Company since

February 1923. An important point relating to the rate of interest upon capital outlay on our railways worked by the M. & S. M. Railway Company had been overlooked and it was taken up with the Company in our letter dated 20th February 1923. The Company raised many objections and in the circumstances explained in my notes dated 26th April 1923 and 9th July 1923, we accepted the rate of 6 per cent. in our letter dated 18th July 1923. The Company raised further objections in its letter dated 19th November 1924 and these were answered in our letter dated 16th December 1924. The Company again pressed for our agreeing to the interest rate adopted by the Government of India and we had to tell them definitely in our letter dated 28th January 1925 that the rate should be that at which we can furnish capital funds and not that at which the Government of India may be able to raise such funds. In the communication of 11th February 1925 now received, the Company has admitted the correctness of our contention and there the matter may be allowed to rest until the question of revising the rate of 6 per cent. is revived by the Company.

Serial No.

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DEWA. ... REGD. IN 28 FEB 1925 Reg. No 6805 .....

DEWAN.) 28/2/25

9/3

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9) 7-6 Mar 9 10 20

NOTE—Contn. Sheet

G.F. 82-24-5 3

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

DIARY NO. 3009

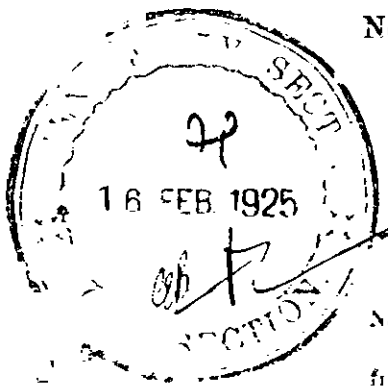
OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 16 February 1925.

No. 1339 Encls. 1

1A-1885.

Pol 958



A copy of the marginally* noted letter, ~~with enclosure~~ is forwarded with compliments, to the Financial ~~Chief~~ Secretary to the Government of H. H. the Maharaja of Mysore for information, with reference to his letter No. Pol. 637/G.F. 82-24, - 4 dated the 28th January 1925.

No. T. 5599 dated the 11th February 1925, from the Agent, Madras & Southern Mahratta Railway Co., Ltd.,

* Pencil

Major

Secretary to the Resident.

R. O. 105.—R. P. B.—7-1924.—2,000.

PN